GOVERNMENT OF INDIA
LABOUR
LOK SABHA

UNSTARRED QUESTION NO:3170
ANSWERED ON:15.03.2000
ABOLITION OF TAX
SUBODH MOHITE

Will the Minister of LABOUR be pleased to state:

(a) whether the Government has received the demands from Beedi workers for abolition of tax concessions given to mini-cigarette manufacturers and small beedi units manufacturing less than 20 lakh beedi per year;

(b) if so, the reaction of the Government thereto;

(c) whether the Government propose to formulate rule regarding payment of a guaranteed wage equivalent to the amount to be paid for selling 800 beedis per day should be strictly enforced;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI MUNI LALL)

(a): Yes, Sir.

(b): The Government has been steadily increasing the rate of excise duty on minicigarettes since the past few years. Due to practical difficulties and peculiar decentralised nature of the beedi industry, which is mainly home based, it has not been found feasible to withdraw the full exemption granted in excise duty on production of unbranded beedis upto 20 lakhs in a financial year.

(c) to (e): The question of National Minimum Wage has been examined several times in the past and it has not been found possible to have a National Minimum Wage because of differences in economic levels in different States/Regions.However, the State Governments who are the appppropriate Governments for fixation/revision of wages for workers engaged in beedi making, have been requested to fix the Floor Level Minimum Wages at Rs.45/- per day.